

## Handling Objections

Part of working with potential borrowers is handling objections. An objection is when a potential borrower puts up a roadblock about why they won't be completing a loan app or working with you.



It is important to remember that, according to research, most people say NO three times before saying yes. This means that a potential borrower might say NO when they really want to say YES. You can expect your potential borrower to say NO, and it doesn't mean they aren't going to work with you.

One of the common pitfalls in handling objections is presenting instead of consulting. Often people want to tell the potential borrower something versus asking questions, ultimately leading them to the solution that is best for both parties.



When a potential borrower objects, many times what they are telling you is not the real reason for what is causing them to stall. What most people do is try to answer the objection. This does not work. Typically, the best way to handle an objection is with a question!

There is a recommended five-step process you can use for handling and overcoming objections. If you examine the script on the following page, it illustrates all five steps.

| Handling Objections: The Five-step Process |  |
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| Step 1                                     | Acknowledge their concern  |
| Step 2                                     | Ask questions to better understand the real problem or objection |
| Step 3                                     | Paraphrase, isolate, and offer to solve                          |
| Step 4                                     | Offer a solution   |
| Step 5                                     | Reclose for them to work with you                                |

The most important thing at this point is to NOT buy into their story or objection, and be prepared to handle it and easily overcome it.

For example, using this five-step process for the objection, “I want a better rate,” could look something like this...



1. Acknowledge: *I understand how you might feel this way as rate is an important component of your loan.*
2. Questions: (Regardless of their answer, you will continue to ask questions.)
  - a. *Let me ask you this, is rate the most important thing, or is your payment?*
  - b. *What are your goals? Where do you see yourself in 5 years? How much do you want to put down?*
3. Paraphrase: *What I heard you say is ...*
4. Offer solution: Based on their needs, explain what is the best loan for them and why
5. Reclose them: *Let's get started now. I will send the loan application. When do you think you will be able to complete it?*

When you learn how to overcome objections, you will be able to handle any situation that comes your way. You will feel more confident, with a natural byproduct of that confidence being a growing business with customers who value what you offer.